

Marine

<u>£ millions</u>	<u>H1 2013</u>	<u>H1 2012</u>	<u>Change</u>
Order book	4,330	3,954*	10%
Underlying revenue	1,241	1,070	16%
Underlying OE revenue	697	622	12%
Underlying services revenue	544	448	21%
Underlying profit before financing	135	147	-8%
Return on sales**	10.9%	13.7%	-2.8pp

* 2012 year-end data

** By reference to underlying profit before financing costs and tax

Financial

- The order book increased 10% including an order intake of £1.7bn (£2.2bn in H1 2012). The decrease in new orders primarily reflects the UK Ministry of Defence £1.1bn order for submarine reactor core capability in H1 2012, partially offset by the new £0.8bn enabling contract this year for the Ministry of Defence submarines.

Significant orders in the first half also included:

- A 10-year enabling contract with the MoD that will sustain up to 2,000 jobs in the UK and deliver up to £200 million savings to the MoD for nuclear propulsion systems for the UK's existing and future submarine flotilla.
 - A contract with Detroit Chile SA for the delivery of offshore cranes to four platform supply vessels (PSVs) under construction at Detroit Brasil Ltda. shipyard, in Itajaí, Brazil.
 - An £11m contract with the Brazilian shipyard Aliança S/A Industria Naval e Empresa de Navegacao, a subsidiary of Fischer Group, and Brazilian ship owner Asgaard Navegação S.A for the design of and delivery of equipment to two offshore vessels for Asgaard.
 - A contract for the Promas integrated rudder and propulsion system with ship builder Fincantieri Cantieri Navali Italiani S.p.A for two cruise ships for Viking Cruises.
 - A contract to supply our innovative Promas Lite propulsion system to German based company AIDA Cruises as part of a technical upgrade of their Sphinx series cruise ships.
- Revenue increased by 16%, reflecting OE volume from improvement in the Offshore sector, services growth in Offshore and Naval and foreign exchange benefits.
 - Profit decreased by 8% due to adverse revenue mix, pricing pressures and warranty charges, partially offset by cost reduction and favourable foreign exchange.

Portfolio

- We expanded our network of Marine services centres to 39 by opening a new facility in Guangzhou, to better serve our growing customer base in southern China.
- We delivered our first Environship, a revolutionary design and systems solution that reduces CO₂ emissions by up to 40% compared to similar diesel-powered vessels.